

## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 IO-12 ADP-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-12 PRS-01 SAL-01 OMB-01

AF-10 ARA-11 EA-11 NEA-10 OIC-04 OPIC-12 /236 R

DRAFTED BY EB/ ICD: VMCCLUNG; JV

EXT. 20306 4/6/73

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IO/ AGR: ROLSON

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R 061632 Z APR 73

FM SECSTATE WASHDC

TO USMISSION GENEVA

INFO AMEMBASSY ROME

AMEMBASSY LONDON

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ROME FODAG

LONDON FOR YORK AND INGERSOLL

E. O. 11652: N/ A

TAGS: ETRD, UNCTAD, GATT, FAO

SUBJ: IMPLEMENTATION OF UNCTAD RESOLUTION ON COMMODITIES

REF: GENEVA 1415

1. APPRECIATE MISSION' S INITIATIVE IN APPROACH TO CHIDZERO  
AND RESULTING OPPORTUNITY FOR INFORMAL EXCHANGE VIEWS ON  
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WHERE TO GO FROM HERE IN IMPLEMENTING UNCTAD COMMODITIES COMMITTEE RESOLUTION 7 ( VII). REQUEST YOU PASS ON FOLLOWING PRELIMINARY REACTIONS TO CHIDZERO' S COMMENTS AND INQUIRIES.

2. WE ARE JUST BEGINNING DEVELOP OUR POSITION ON PRODUCTS WE MIGHT FAVOR HAVING ON LIST AND THOSE WE WOULD OPPOSE. AS WE SEE IT NOW, PROPER TEST FOR INCLUSION OF PRODUCT IS THAT THERE BE SOME CLEAR POSSIBILITY THAT CONSULTATIONS COULD DO SOMETHING OVER AND BEYOND WHAT WOULD OTHERWISE BE DONE IN ABSENCE CONSULTATIONS. EXAMPLES OF SITUATIONS WHERE CONSULTATIONS COULD INVOLVE SUCH A PLUS ARE:

A. WHERE NO DETAILED EXAMINATION OF TRADE BARRIERS AND LIBERALIZATION POSSIBILITIES HAS OCCURRED OR IS PRESENTLY PLANNED, IN RELEVANT STUDY GROUP OR GATT. ( USDEL TO

CC- VII EXPLICITLY ACCEPTED IDEA THAT CONSULTATIONS MIGHT BE USED TO HELP GOVERNMENTS PREPARE FOR MTN THROUGH STUDIES OF THIS TYPE.)

B. WHERE THERE IS NO STUDY GROUP OR PRESENT PLANS FOR AD HOC CONSULTATIONS IN NEAR TERM FOR PRODUCT IMPORTANT IN LDC TRADE NOW FACING PROBLEMS.

C. WHERE CONSIDERATION OF POSSIBLE ACTION IN STUDY GROUPS HAS REACHED POINT WHERE POLICY RECOMMENDATIONS ARE POSSIBLE AND MIGHT BENEFIT FROM SPECIAL CONSULTATIONS UNDER CC RESOLUTION 7 ( VII).

3. RISK WE SEE IN OTHER CRITERIA MENTIONED REFTEL ( E. G. QUOTE GREATEST COMMON APPEAL UNQUOTE) IS LDC DISAPPOINTMENT AND DISILLUSIONMENT IF SPECIAL CONSULTATIONS CAN DO NO MORE THAN COULD BE EXPECTED OF REGULARLY SCHEDULED MEETING OF STUDY GROUP. ( FYI: IN ADDITION, WE ALSO WISH TO LIMIT UNCTAD INVOLVEMENT IN WORK OF ESTABLISHED STUDY GROUPS TO CASES FOR WHICH SOME RATIONAL JUSTIFICATION EXISTS. END FYI)

4. ON FOREGOING BASIS, WE WOULD OPPOSE INCLUSION FATS AND OILS SINCE MARKET ACCESS STUDY RECENTLY CONDUCTED BY FAO GROUP AND PAST EXTENDED CONSIDERATION PRICE LIMITED OFFICIAL USE

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STABILIZATION POSSIBILITIES WOULD SEEM TO LARGELY

ACCOMPLISH PURPOSES OF 7 ( VII) CONSULTATIONS AS WE CONCEIVE THEM. FURTHER CONSIDERATION FATS AND OILS SHOULD BE WITHIN FRAMEWORK MTN. RE RICE AND TOBACCO, WHILE WE WOULD BE PREPARED CONSIDER AS POSSIBLE CANDIDATES, WE THINK THERE ARE BETTER POSSIBILITIES AMONG TEMPERATE PRODUCTS, SUCH AS GRAINS AND MEAT. WE ARE PARTICULARLY SKEPTICAL RE TOBACCO, SINCE EC PREFERENCE ISSUE LIKELY MAKE SUBJECT HIGHLY CONTROVERSIAL AND POSSIBLY DIVISIVE, EVEN AMONG LDCS.

5. WE WOULD BE INTERESTED IN KNOWING WHAT CHIDZERO THINKS MIGHT BE DISCUSSED RE HARD FIBERS. CASE FOR INCLUDING THEM MAY HINGE ON RESULTS FAO- SPONSORED MEETING OF EXPORTING COUNTRIES LATER THIS MONTH WHICH WILL DETERMINE EXTENT OF INTEREST IN POSSIBLE FORMAL ARRANGEMENT AS STAND- BY MEASURE AGAINST EVENTUAL PRICE DECLINE. ( NOTE, AND REMIND CHIDZERO IF NECESSARY, THAT NEXT MEETING FAO GROUP NOT SCHEDULED UNTIL FALL, SO TIMING PROBLEM MENTIONED REFTEL DOES NOT EXIST.)

6. WE UNDERSTAND SECRETARIAT' S CONCERN OVER IMPASSE WHICH MAY ARISE FROM AFRICANS DETERMINATION HAVE COFFEE ON LIST, WITH HIGH PRIORITY, BUT DO NOT WISH TO TAKE

EVEN AN INFORMAL POSITION AT THIS TIME. FYI ONLY.  
WE ASSUME AFRICANS THINK CONSULTATIONS ON COFFEE COULD SERVE TO EXERT LEVERAGE ON LATINOS IN CONNECTION AFRICAN BASIC INTEREST IN OBTAINING LARGE SHARE WORLD MARKET AT LATIN AMERICAN EXPENSE. THIS WILL BE A MAJOR ISSUE IN COFFEE COUNCIL NEGOTIATIONS FOR AN EVENTUAL NEW COFFEE AGREEMENT AND WE SEE NO USEFUL PURPOSE GETTING UNCTAD- INITIATED MEETING INVOLVED IN FRUITLESS DEBATE ON SUBJECT. WE WOULD HOPE AFRICANS WILL ABANDON THEIR INITIATIVE. END FYI.  
ROGERS

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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